

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 99-875

FEBRUARY 29, 2000

PASSAMAQUODDY WATER DISTRICT  
Proposed Increase in Rates

ORDER

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WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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I. SUMMARY

We find that the petitioners filed the petition with the Commission on February 2, 2000, but failed to file a copy of the Petition with the Passamaquoddy Water District (District) within 30 days of the public hearing (by February 3, 2000) as required by 35-A M.R.S.A. §6104(7). Therefore, we will allow the rate increase to go into effect as proposed on March 1, 2000. We will not open our own investigation into the rate increase because, after preliminary review, the rate increase appears to be necessary and reasonable.

II. BACKGROUND

On January 25, 2000, the Passamaquoddy Water District filed with the Commission certain rate schedules and other required documents pursuant to 35-A M.R.S.A. §6104. The District proposes to increase operating revenues by \$99,247 or 18.66% over 1998 actual revenues. The increase was proposed to become effective March 1, 2000. Prior to the filing, the District filed a notice with the Commission on December 3, 1999, provided newspaper notice on December 10, 1999, and held a public hearing at Shead Memorial High School on January 4, 2000. The purpose of the rate increase is to cover increased operating expenses and to permit the District to finance improvements to its plant. Those improvements include repairs to the dam that impounds the source water at the water treatment plant, replacement of the old standpipe, and replacement of asbestos cement water mains in Quoddy Village. The District's current rates became effective April 9, 1990.

On February 2, 2000, George Hoche (the Lead Petitioner) filed with the Commission a petition containing the signatures of many customers of the District (the Petition). On February 8, 2000, the District filed a letter contesting the validity of the Petition. The District contests the Petition on the basis that the Petition was not filed with the District within the statutory 30 days of the public hearing (the filing deadline was February 3, 2000). The District's February 8, 2000 letter reports that Mr. Hoche delivered the petition to the District office on February 4, 2000, and stated that he knew he was late. This late filing with the District is confirmed by a letter from George Hoche filed with the Commission on February 16, 2000.

III. DECISION

We find that the Petition was not filed with the District within the 30-day time limit specified by 35-A M.R.S.A. §6104 and therefore has no effect. We will lift Suspension Order No. 1 issued February 3, 2000, and allow the rates to become effective on March 1, 2000, as the District proposed.

We have completed a preliminary review of the District's proposed revenue requirement. We find, based upon the information provided in the filing and obtained verbally from the District's outside accountant that the proposed revenue requirement appears necessary for the District to carry out its responsibility under its charter.

The fact that the petitioners were only one day late in filing their petition with the Water District (and did file with the Commission in a timely manner) might in some cases be a basis to open our own investigation. However, two factors militate against that option in this case. First, the District has not had a rate increase in ten years. Second, the available information gives us no reason to believe the proposed rates are unreasonable. On balance, then, we do not think an investigation on the Commission's own motion is warranted.

Accordingly, we

O R D E R

1. That Suspension Order No. 1, issued February 3, 2000, is hereby lifted; and
2. That the Passamaquoddy Water District Schedule of Rates, consisting of Pages 1 through 3 – all Second Revision, filed on January 25, 2000, will become effective for service rendered on and after March 1, 2000, as proposed.

Dated at Augusta, Maine this 29<sup>th</sup> day of February 2000.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:    Welch  
   Nugent  
   Diamond